TITLE: PRESENTATION TO SCOPA

DATE: 06 SEPTEMBER 2017

PRESENTER: ADV. ANDY MOTHIBI (HEAD OF THE SIU)

SPECIAL INVESTIGATING UNIT

POISED TO STRIKE
against corruption

Contents

The SIU

- Legislative Mandate
- SIU Delivery Model
- Proclamations (Investigations)
- Performance
- Civil Litigation
- Organisational Enhancements

LEGISLATIVE MANDATE

Empowering Legislation

Special investigating units and special tribunals act, 1996 (act no. 74 of 1996) (**"SIU act"**).

Vision

"The State's preferred and trusted forensic investigation and litigation agency."

Mission

"We are the State's preferred provider of forensic investigating and litigating services working together with other agencies in the fight to eradicate corruption, malpractice and maladministration from society."

Major Functions

- Investigate corruption, malpractice and maladministration
- Institute civil proceedings
- Referrals to relevant prosecuting authority
- Referrals for disciplinary action

SIU Powers

- Able to subpoena, search and seize evidence and interrogate witnesses under oath (once a proclamation has been issued)
- Institute civil litigation to recover state funds lost or to prevent future losses

Out of SIU Mandate

- Arrest or prosecute offenders
- Implement disciplinary actions
- Works closely with other relevant agencies where its powers fall short

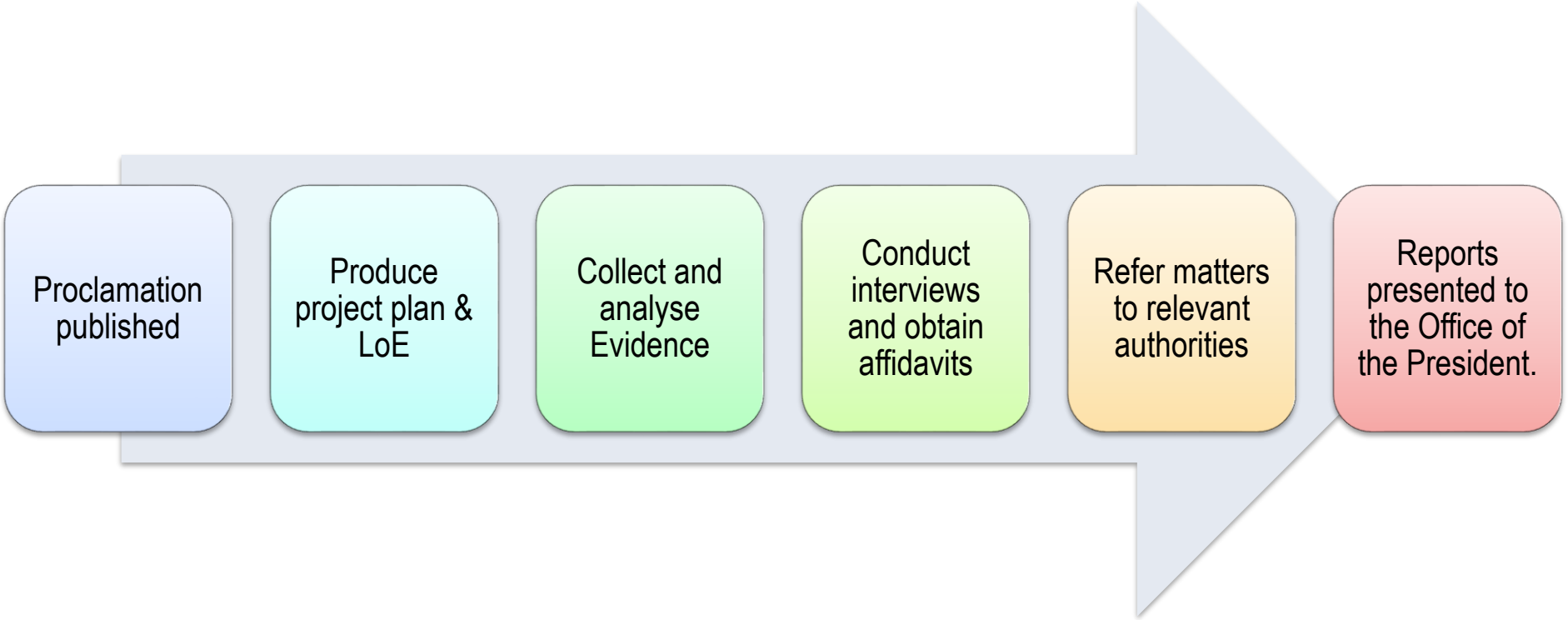
SIU DELIVERY MODEL

CASE ASSESSMENT PHASE

What happens in this phase?

- The SIU follows up on and/or receives allegations;
- We assess and verify the allegations and any evidence available;
- Gather additional information as needed to support a motivation for a proclamation;
- Draft the motivation for the proclamation and the schedule to the proclamation which sets out the scope of the SIU investigation;
- Whilst the proclamation approval process is underway, the team continues with the desktop analysis of the available documentation, project set up and investigation planning;
- The SIU's powers cannot be used during the case assessment phase; and
- On publication of the proclamation, the team is ready to commence with the investigation.

SIU DELIVERY MODEL



The SIU is in regular contact with Accounting Authorities of State Institutions to follow up on recommendations. Regular updates are also done with the NPA and the Presidency.

SIU DELIVERY MODEL

- SIU powers become active once the proclamation is published in the Government Gazette;
- Produce project plan and Letter of Engagement (LoE) outlining the approach, team and projected cost for the State institution;
- Recovery of cost and fees incurred in terms of Section 5 of the SIU Act on monthly basis as per the LoE
- Collection and analysis of further evidence using SIU powers;
- Conduct interviews and obtain affidavits;
- Institute Civil litigation where applicable (SIU has *locus standi in iudicio* to institute civil litigation in its own name);
- Evidence of criminality referred National Prosecuting Authority (NPA)and Asset Forfeiture Unit (AFU) and evidence of misconduct referred to State institutions for possible disciplinary action;
- Evidence of any other transgressions referred to relevant authorities (SARS, regulatory bodies, FIC etc.); and
- Final and interim reports presented to the Office of the President.

SIU CHARGE OUT RATES

SIU Business Operations Job Level	Charge Out Rate
Admin Clerk Ops	R 180
Admin Off Ops	R 275
Legal Secretary	R 300
Tracer	R 415
Project Administrator	R 400
Forensic Investigator	R 730
Chief Forensic Investigator	R 990
Forensic Accountant	R1,385
Forensic Data Analyst	R1,070
Cyber Forensic Examiner	R1,070
Forensic Lawyer	R1,200
Senior Forensic Lawyer	R1,530
Assistant Project Manager	R1,200
Project Manager	R1,230
Programme Manager	R1,385
Head Legal	R1,530

TOTAL STAFF COMPLEMENT

Total staff complement as at 31 August 2017: **521**

- Operations staff: 401
- Business support staff: 120

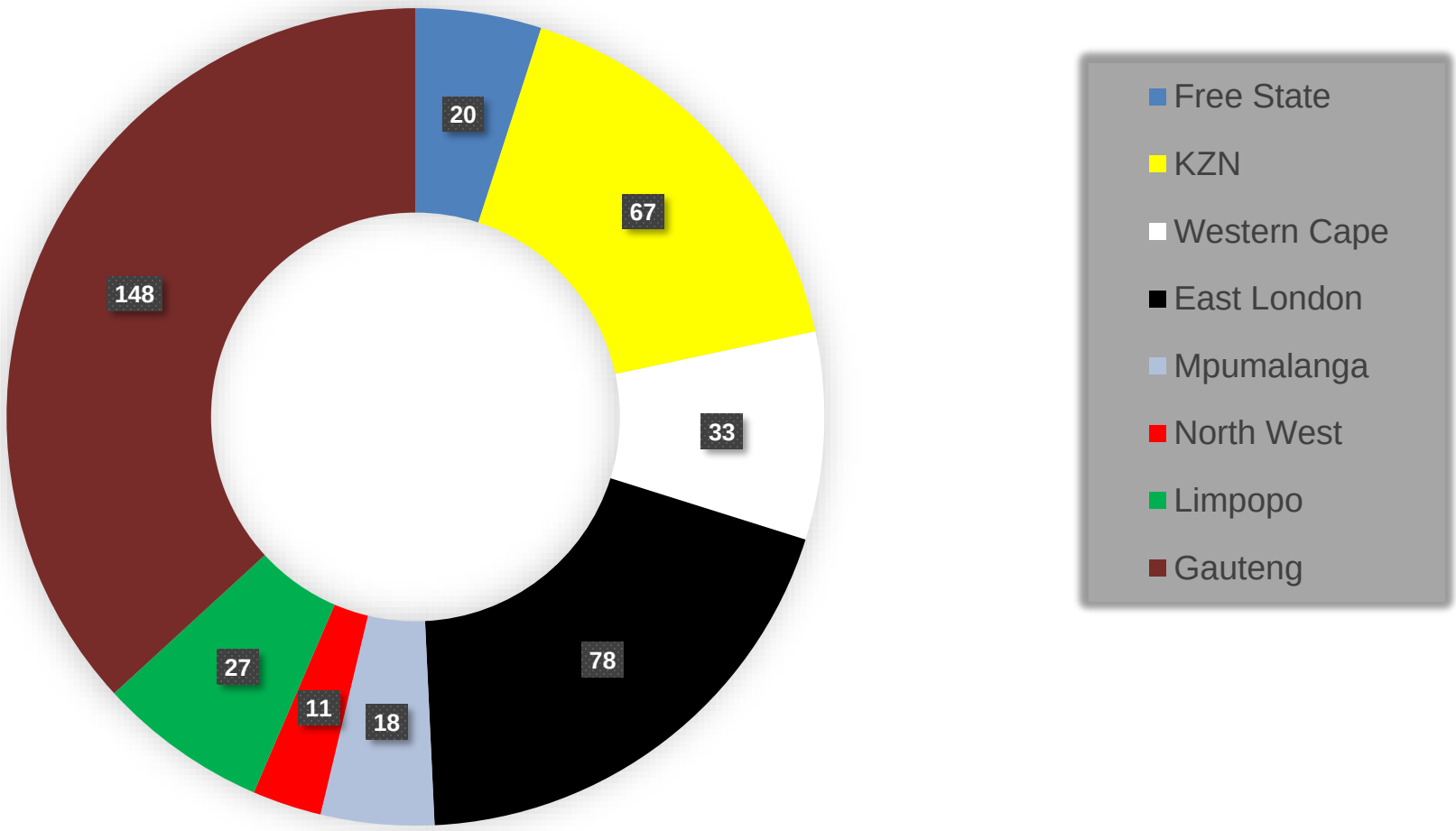
Employment Equity	African	Coloured	Indian	White	Total Gender	
						Percentage
Female	151	11	26	66	**254**	49%
Male	159	23	29	56	**267**	51%
Total Race	**310**	**34**	**55**	**122**	**521**	
Percentage	59%	7%	10%	24%		100%

EMPLOYMENT EQUITY

Employment Equity	African		Coloured		Indian		White		Total	Percentage
Gender	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**		
Top Management	0	1	0	0	0	0	0	0	**1**	1%
Senior Management	4	6	1	2	2	2	3	10	**30**	6%
Professionally Qualified	21	49	1	14	4	16	28	40	**173**	33%
Skilled Technical	36	75	5	7	13	11	26	3	**176**	33%
Semi-Skilled	78	28	4	0	7	0	9	3	**129**	25%
Unskilled	12	0	0	0	0	0	0	0	**12**	2%
Total	**151**	**159**	**11**	**23**	**26**	**29**	**66**	**56**	**521**	
Percentage	29	31	2	4	5	6	13	10		100%

STAFF NUMBERS : OPERATIONS

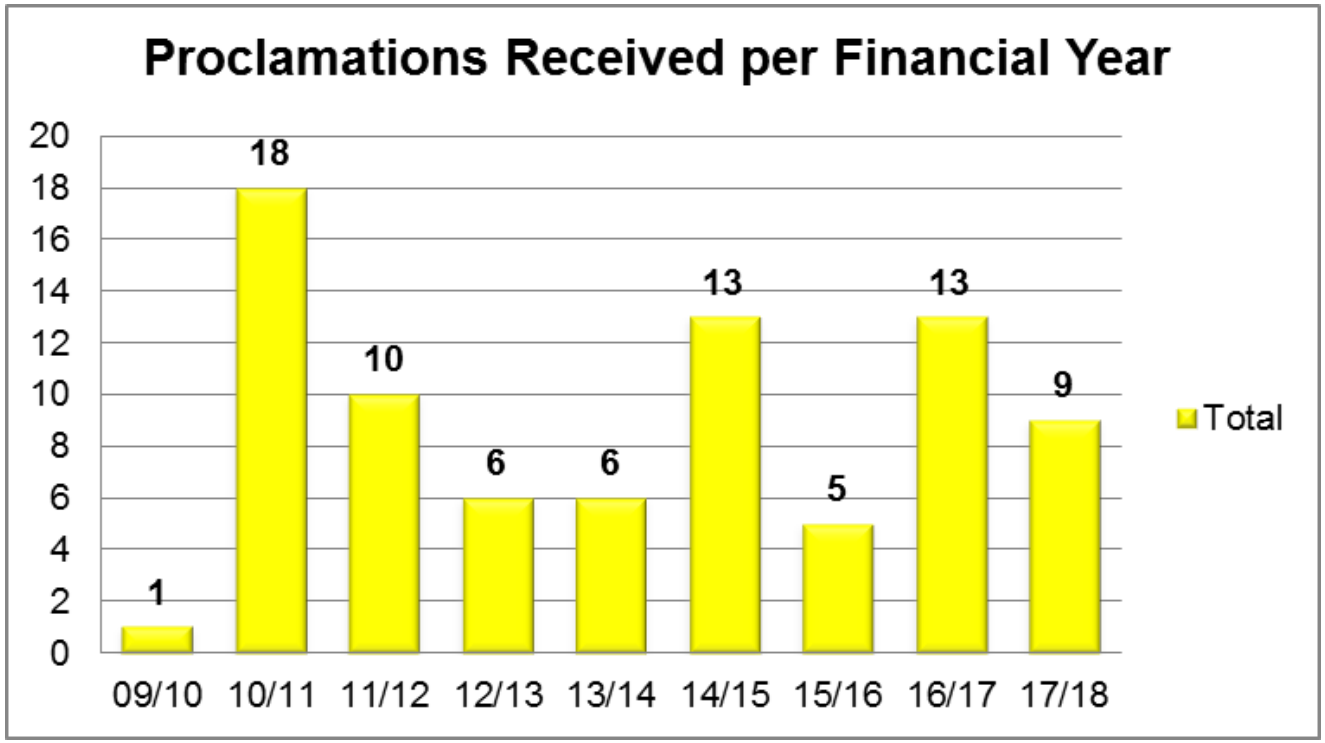
TOTAL BUSINESS OPERATIONS STAFF COMPLEMENT: 402



PROCLAMATIONS (INVESTIGATIONS)

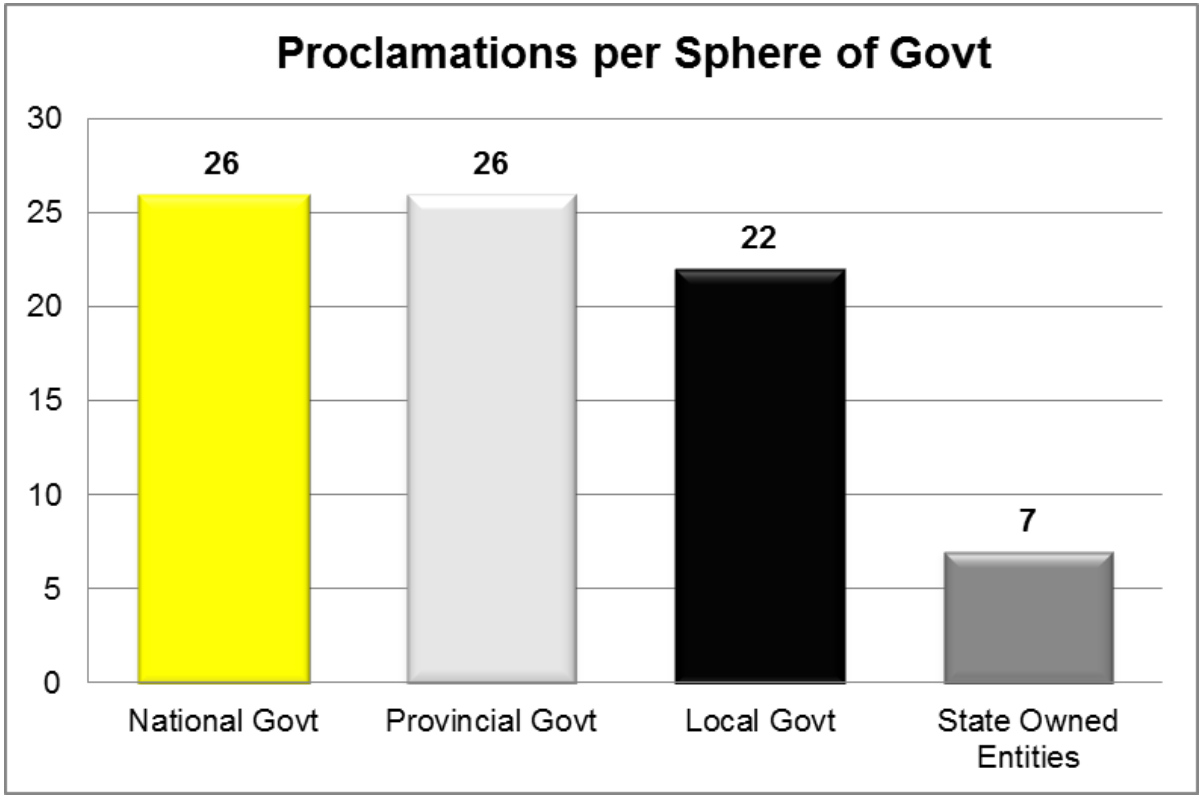
PROCLAMATIONS: TOTAL NUMBER

Since January 2009, the SIU has received **81** proclamations from the Presidency's office. The 81 proclamations are made up of 68 original proclamations, 9 extensions and 5 amendments



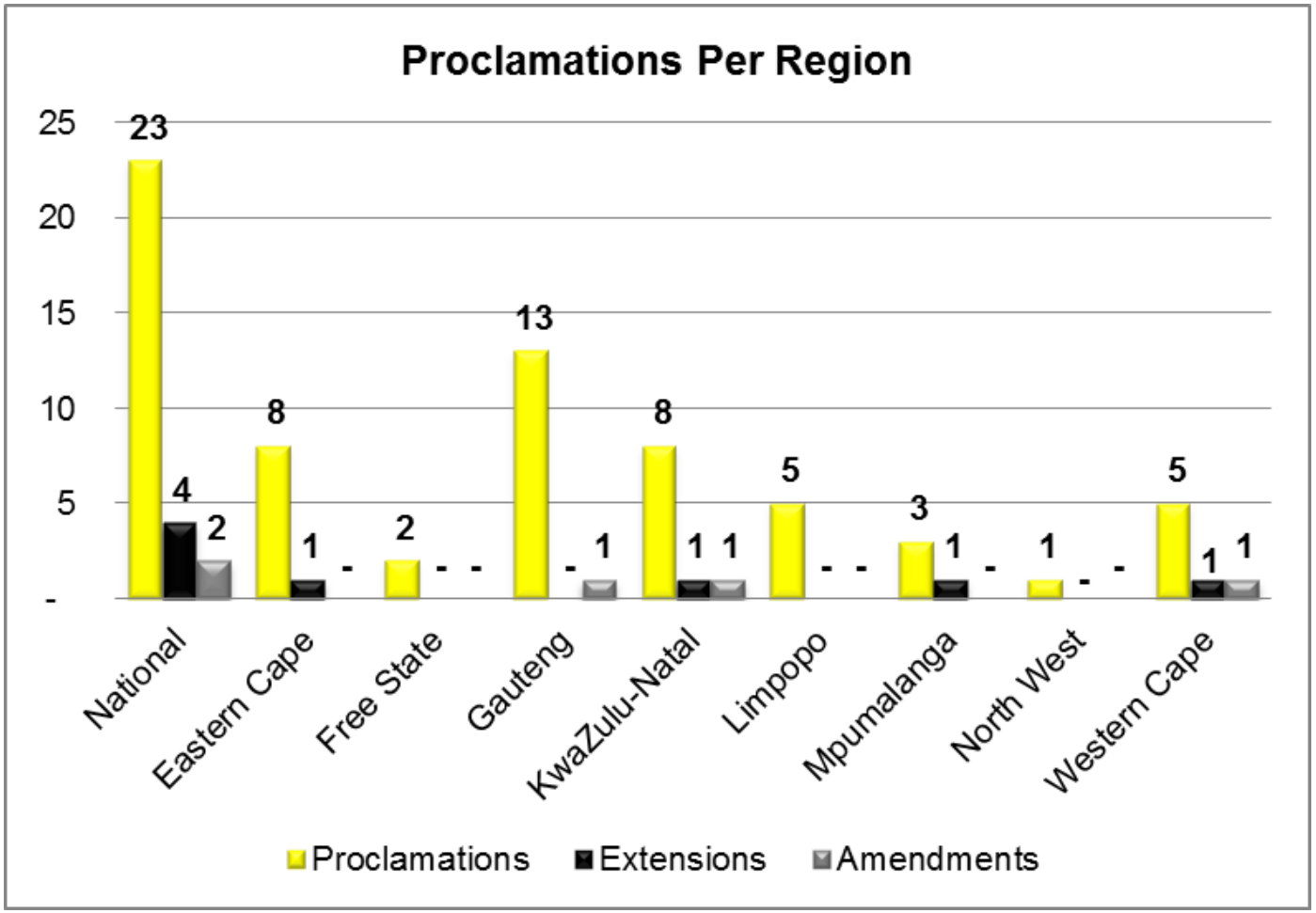
PROCLAMATIONS PER SPHERE OF GOVERNMENT

The graph below represents the total number of proclamations published per sphere of Government, namely National Government, Provincial Government, Local Government and State Owned Entities:



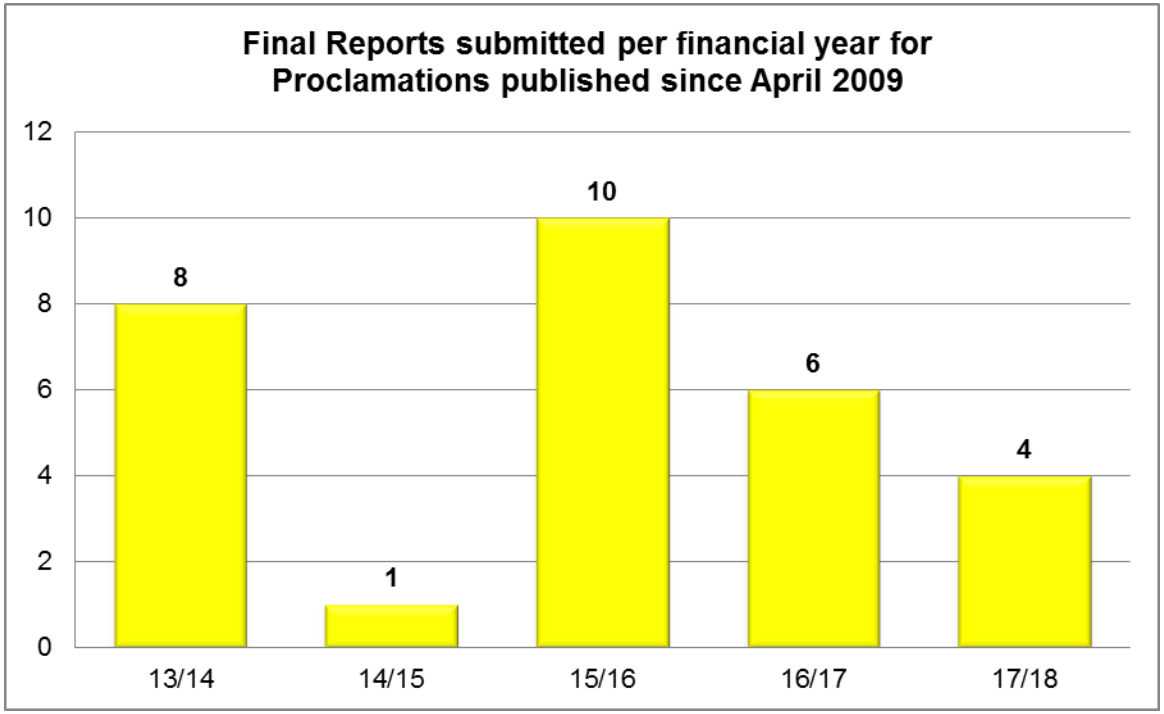
PROCLAMATIONS PER REGION

The graph below represents the total number of proclamations published per region



FINAL REPORTS SUBMITTED

29 final reports have been submitted to the Presidency for proclamations published since 1 April 2009. The number of reports submitted per financial year is shown below:



FINAL REPORTS SUBMITTED NATIONAL GOVERNMENT (CONTINUED)

The complete list of the **29** final reports submitted is shown per sphere of government

The complete list of final reports submitted for National Government is 6

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
National Government Investigations				
1	Proc R36 of 2010	Department of Arts and Culture	Irregular expenditure - R94 million Fruitless & wasteful expenditure - R24 million	30-Apr-13
2	Proc R2 of 2011	National Heritage Council (Department of Arts and Culture)	Disciplinary recommendations Criminal referrals	30-Apr-13
3	Proc R62 of 2014	Dept of Telecommunications and Postal Services (Dept of Communications)	Disciplinary recommendations Criminal referrals Referral to the State Attorney to institute Civil Proceedings Systemic recommendations	11-Oct-16
4	Proc R54 of 2012	Department of Water Affairs (formerly the Department of Water Affairs and Forestry)	Disciplinary recommendations Criminal referrals AFU referrals to recover proceeds of crime to the value of R10 million Repayment of debt owing as a result of the SIU's intervention - R5,8 million	15-Dec-16
5	Proc R38 of 2010	Department of Public Works	Disciplinary recommendations - 5 employees dismissed; 1 resigned Criminal referrals - 2 arrested and trial will take place in March 2017 1 Lease declared *void ab initio* Referrals to the State Attorney to institute Civil Proceedings 1 AOD signed - R1 million	02-Feb-17
6	Proc R59 of 2014	National Department of Public Works	Investigation ongoing Interim report submitted to Presidency	21-Aug-17

FINAL REPORTS SUBMITTED (PROVINCIAL GOVERNMENT) (CONTINUED)

The complete list of final reports submitted for Provincial Government is 11

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
Provincial Government Investigations				
1	Proc R59 of 2010	Ikhala Further Education and Training College (Ikhala FET): Eastern Cape Province	Disciplinary recommendations – 2 SAPS referrals - 2	30-May-13
2	Proc R59 of 2013	National Department of Public Works: Prestige Project situated at Nkandla, KwaZulu-Natal	Disciplinary recommendations Criminal referrals Civil matters - 1	20-Aug-14
3	Proc R37 of 2010	Department of Education, Eastern Cape Province	Disciplinary recommendations – 87 SAPS referrals – 14 AoDs signed - 33	01-Jul-15
4	Proc R43 of 2010 extended by R49 of 2012	Department of Public Works for the KwaZulu-Natal Province	Disciplinary recommendations – 3 Criminal referrals - 17 Systemic recommendations	01-Jul-15
5	Proc R34 of 2011	The former Department of Roads and Transport, Eastern Cape province	Irregular expenditure – R149.8 million Fruitless & wasteful expenditure – R8.4 million Disciplinary recommendations – 23 SAPS referrals - 1	01-Jul-15
6	Proc R16 of 2012	Former Department of Local Government and Housing: Mpumalanga province and its successor in title the Department of Cooperative Governance and Traditional Affairs: Mpumalanga province in its Water for All Project	AFU preservation order – R1.5 million AoDs signed – 2 (R2.1 million) Disciplinary recommendations – 4 Criminal referrals - 2	01-Jul-15

FINAL REPORTS SUBMITTED (PROVINCIAL GOVERNMENT) (CONTINUED)

The complete list of final reports submitted for Provincial Government is 11

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
Provincial Government Investigations				
7	Proc R55 of 2012	The Guardians Fund components of the KwaZulu-Natal and Gauteng offices of the Master of the High Court of the Department of Justice and Constitutional Development	Disciplinary recommendations – 24 Criminal referrals - 7 5 AoDs signed – R28 164	01-Jul-15
8	Proc R65 of 2012	Public Service Sector Education and Training Authority (PSETA)	Lease for office space deemed void *ab initio* which resulted in a saving of R11.8 million Criminal referral - 1	01-Jul-15
9	Proc R598 of 2015	Eastern Cape Department of Education - Siegesmund Trust	Disciplinary recommendations - 7 Criminal referrals - 6 SARS referral Referral to SITA because goods were not procured through them Referral to the board for possible breaches	10-Mar-17
10	Proc R21 of 2010	Department of Health: Gauteng Province	Irregular expenditure - R920 million Disciplinary recommendations - 4 Criminal referrals - 9 AFU preservation order - R800 million Actual savings - R800 million	30-Mar-17
11	Proc R49 of 2014 amended by R16 of 2015	KwaZulu-Natal Provincial Treasury	Disciplinary recommendation - 1	11-May-17

FINAL REPORTS SUBMITTED (LOCAL GOVERNMENT) (CONTINUED)

The complete list of final reports submitted for Local Government is 8

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
Local Government Investigations				
1	Proc R76 of 2010	George Local Municipality: Western Cape Province	Disciplinary recommendation Criminal referral	30-Apr-13
2	Proc R3 of 2011 amended by R87 of 2011	Stellenbosch Local Municipality: Western Cape Province	Disciplinary recommendation Criminal referral	30-Apr-13
3	Proc R6 of 2011	Oudtshoorn Local Municipality: Western Cape Province	Disciplinary recommendation Criminal referral	30-Apr-13
4	Proc R33 of 2011	Midvaal Local Municipality: Gauteng Province	Disciplinary recommendation Criminal referrals	02-Oct-15
5	Proc R58 of 2011	Kopanong Local Municipality, Free State province	Criminal referral AoDs signed – 4 (R308 825)	01-Jul-15
6	Proc R12 of 2012	Swellendam Local Municipality: Western Cape Province	Disciplinary recommendations Criminal referrals	28-Feb-14
7	Proc R63 of 2010	Ekurhuleni Metropolitan Municipality: Gauteng Province	Disciplinary recommendations Criminal referrals AFU referral to recover proceeds of crime to the value of R27 million	03-Nov-16
8	Proc R31 of 2016	Amahlathi Local Municipality	Disciplinary recommendations - 3 Criminal referrals - 2 Contracts set aside - R107 404 471 Civil matters - R92 487 183 Actual savings - R14 917 288	18-Aug-17

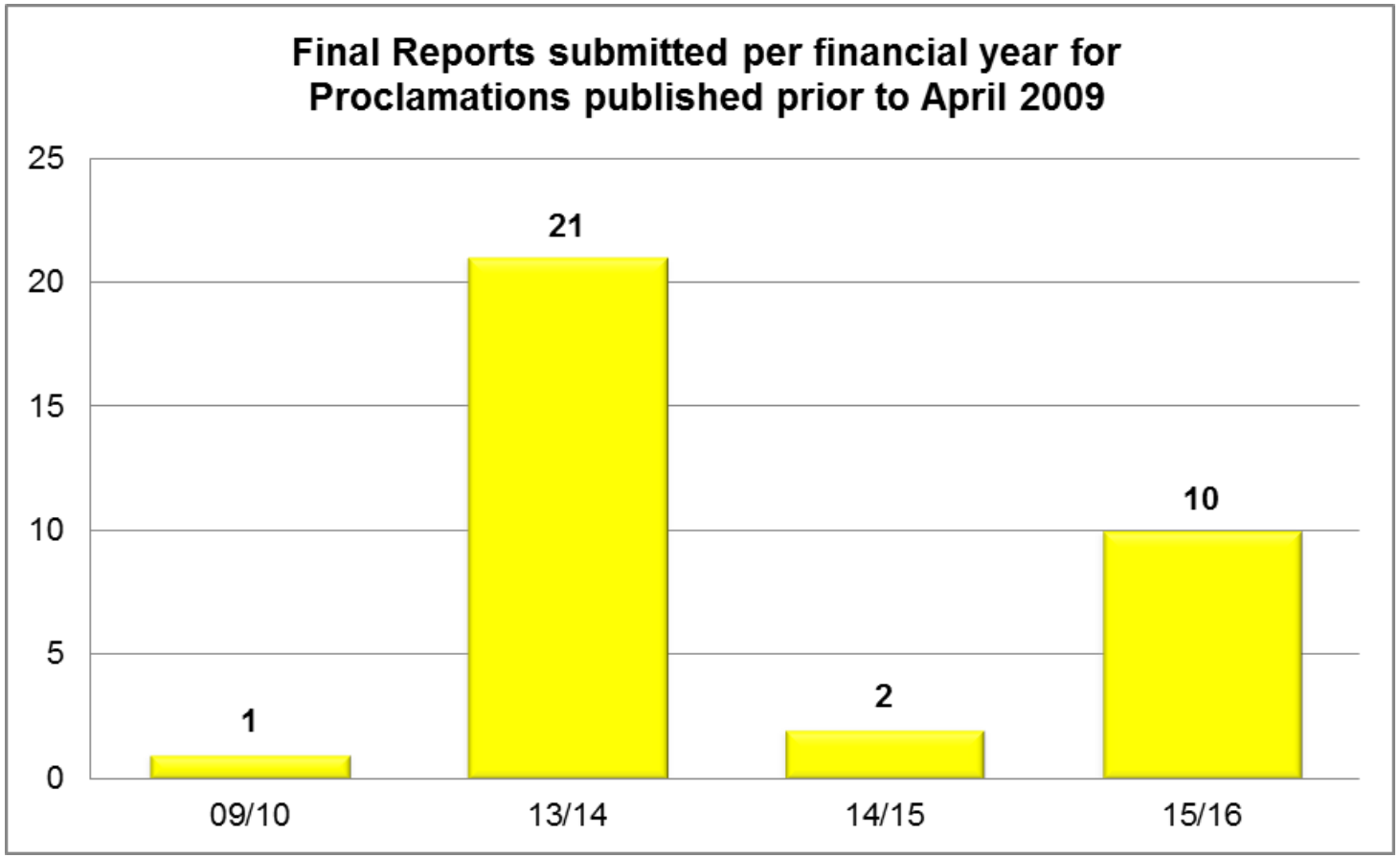
FINAL REPORTS SUBMITTED (STATE OWNED ENTITIES)(CONTINUED)

The complete list of final reports submitted for State Owned Entities is 4

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
State Owned Entities				
1	Proc R58 of 2010	South African Broadcasting Corporation (SABC)	Irregular expenditure – R428 million Fruitless & wasteful expenditure – R36 million Non-compliance to policies/contracts Disciplinary recommendations – 464 SAPS referrals – 5 SARS referral - 1	30-Apr-13
2	Proc R48 of 2012	The State Information Technology Agency (Pty) Ltd (SITA)	Disciplinary recommendations – 26 Criminal referrals – 2 Civil matters - 1	01-Jul-15
3	Proc R5 of 2014 amended by R56 of 2014	South African Post Office (SOC) Limited (SAPO)	Disciplinary recommendations – 7 Criminal referrals – 3 Civil matters - 1	01-Jul-15
4	Proc R2 of 2012	Eskom Holdings Ltd	Disciplinary recommendation - 3,475 Criminal referral - 2	12-Jul-17

FINAL REPORTS SUBMITTED (CONTINUED)

34 final reports have been submitted to the Presidency for proclamations published prior to 2009. The number of reports submitted per financial year is shown below:



FINAL REPORTS SUBMITTED (NATIONAL GOVERNMENT) (CONTINUED)

The complete list of the **34** final reports submitted is shown per sphere of government

The complete list of final reports submitted for National Government is 5

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
National Government Investigations				
1	Proc R50 of 2006	Special Pensions Investigations	72,8% (4,544 of 6,240) beneficiaries were entitled to their Special Pensions. 18,8% were not entitled because there was misinterpretation of the Act, beneficiaries had Schedule 1 convictions and fraud was identified	21/12/2009
2	Proc R66 of 2002 Proc R56 of 2003 ext Proc R58 of 2004 ext Proc R59 of 2004 Proc R44 of 2007	Department of Correctional Services	Disciplinary recommendation - 996 Criminal referral - 290 Recoveries - R22 million Prevention of Loss - R3.4 billion Actual Savings - R4.8 million AOD signed - R1.1 million AFU Order - R10.8 million Seizure of assets - R2.2 million Systemic recommendation	30/04/2013
3	Proc R58 of 2003	Certain offices of the Department of Justice and Constitutional Development	Disciplinary recommendation - 54 Criminal referral - 49 Cash Recoveries - R548 000 Systemic recommendation	31/05/2013
4	Proc R5 of 2005 Proc R17 of 2008 ext	Department of Transport:National; Provincial; Municipal; and SAPS	Disciplinary recommendation - 1,512 Criminal referral - 8,016 Arrests by SAPS - 2,174 Invalidly issued/converted licences identified - 241,355 were referred for cancellation Systemic recommendation	31/05/2013

FINAL REPORTS SUBMITTED (NATIONAL GOVERNMENT) (CONTINUED)

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
National Government Investigations				
5	Proc R7 of 2007 Proc R35 of 2010 ext Proc R15 of 2012 ext	National Department of Housing; All Provincial Departments of Housing; The former Housing Development Boards and Corporations; Local Authorities and their agents	Irregular expenditure – R1.5 billion Fruitless & wasteful expenditure – R1 billion Unauthorised expenditure – R1.4 billion Potential recoveries – R747 million Disciplinary recommendation - 91 Criminal referral – 38 Non-compliance with Housing Act and PFMA Non-adherence to section 217 of the Constitution and procurement related legislation	02/10/2015

FINAL REPORTS SUBMITTED (PROVINCIAL GOVERNMENT)(CONTINUED)

The complete list of final reports submitted for Provincial Government is 19

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
Provincial Government Investigations				
1	Proc R56 of 2001 Proc R59 of 2003 ext	Department of Transport of the Province of KwaZulu-Natal and/or its predecessor in law	Licence fees recovered - R769 091 Cleansing of eNaTiS database Systemic recommendation	30/04/2013
2	Proc R73 of 2002	Department of Social Development of the Free State Province	AOD signed - R240 549 Systemic recommendation	30/04/2013
3	Proc R2 of 2003	Department of Transport of the Eastern Cape Province, the Transkei Road Transport Corporation and the Umanyano Transport Services	Cash Recoveries - R3.1 million Actual saving - R600 000	30/04/2013
4	Proc R49 of 2004	South African Housing Trust Limited (herein after referred to as “SAHT”)	No civil claims could be pursued because of prescription	30/04/2013
5	Proc R52 of 2004	Vista University	No outcomes because University was not defined as State Institution in terms of the SIU Act	30/04/2013
6	Proc R11 of 2004	Provincial Department of Housing and Local Government and the Northern Cape Housing Board of the Northern Cape Province	Recommendation to institute civil action to recover monies	30/04/2013

FINAL REPORTS SUBMITTED (PROVINCIAL GOVERNMENT) (CONTINUED)

The complete list of final reports submitted for Provincial Government is 19

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
Provincial Government Investigations				
7	Proc R63 of 2005	Department of Housing, Local Government & Traditional Affairs: Eastern Cape Province; Nelson Mandela Metropolitan Municipality	Criminal referral - 16 AODS signed - 39 (R476 343)	30/04/2013
8	Proc R33 of 2006	Department of Agriculture: Free State Province: Ditswakotleng Fresh Farm Production Project, being a project of the Community Projects Fund Support Programme	AOD signed - R8 868 Evidence led to CFO being dismissed	30/04/2013
9	Proc R23 of 2007	Office for Witness Protection	Disciplinary recommendation	30/04/2013
10	Proc R35 of 2008	Mhlatuze Water	Criminal referral	30/04/2013
11	Proc R1 of 2002	Witness Protection Office: KwaZulu-Natal	Disciplinary recommendation - 2 Criminal referral - 2 Civil claim - 1 (R4.7 million)	31/05/2013
12	Proc R10 of 2004	Free State Tourism and Marketing Board (herein after referred to as "the Board")	Cash Recoveries - R284 179	10/12/2013
13	Proc R77 of 2002	Performing Arts Centre of the Free State or its predecessor in title (herein after referred to as "PACOFS")	No civil claims could be pursued because of prescription	20/12/2013

FINAL REPORTS SUBMITTED (PROVINCIAL GOVERNMENT) (CONTINUED)

The complete list of final reports submitted for Provincial Government is 19

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
Provincial Government Investigations				
14	Proc R74 of 2002	Department of Finance of the Mpumalanga Province	Criminal referral - 1	02/10/2015
15	Proc R37 of 2007	Free State Provincial Department of Finance; Free State Provincial Treasury	Disciplinary recommendation - 3 Criminal referral - 1 Referral to the State Attorney	02/10/2015
16	Proc R45 of 2007	Department of Transport: KwaZulu-Natal Province (Administrative Cost Centres: Merebank, Port Shepstone & Stanger)	Disciplinary recommendation - 4 Criminal referral - 2 SARS referral	02/10/2015
17	Proc R22 of 2007	Mpumalanga Economic Empowerment Corporation Limited (MEEC)	No recommendations were made	02/10/2015
18	Proc R36 of 2008	Department of Health: Eastern Cape Province	Criminal referral - 61 SARS referral	02/10/2015
19	Proc R2 of 2009 Proc R14 of 2012 ext	Department of Education: Mpumalanga Province	Duplicate invoices identified – R3 million AOD signed Unlawful claims identified – R2.8 million SAPS referral	02/10/2015

FINAL REPORTS SUBMITTED (LOCAL GOVERNMENT) (CONTINUED)

The complete list of final reports submitted for Local Government is 10

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
Local Government Investigations				
1	Proc R70 of 2002	Tsantsabane and Kgatelopele Municipalities in the Northern Cape Province	Disciplinary recommendation - 3 Criminal referral - 1 AOD signed - R4 776 Systemic recommendation	30/04/2013
2	Proc R8 of 2004	Lydenburg Transitional Local Council (which has been succeeded by the Thaba Chweu District Municipality) in the Mpumalanga Province	Criminal referral Recommendation to institute civil action	30/04/2013
3	Proc R39 of 2007	Dihlabeng Local Municipality: Free State Province	Recommendation made to institute civil action to recover monies - R2.9 million	30/04/2013
4	Proc R26 of 2005 Proc R27 of 2005	Eastern Cape Province Municipalities: Emalahleni Municipality; Mnquma Municipality; Ikwezi Municipality; Inxuba Yethemba Municipality; Ndlambe Municipality. OR Tambo Municipality; Whittlesea Municipality; Maletswai Municipality; Somerset East Municipality; Inkwanca Municipality; KSD Municipality; Nyandeni Municipality	Disciplinary recommendation - 7 Criminal referral - 11 Cash Recoveries - R811 722 Systemic recommendation	31/05/2013

FINAL REPORTS SUBMITTED (LOCAL GOVERNMENT) (CONTINUED)

The complete list of final reports submitted for Local Government is 10

No	Proc Number	Dept/State Institution	Outcomes	Date Submitted
Local Government Investigations				
5	Proc R23 of 2006	Lejeweleputswa District Municipality: Free State Province	Settlement agreement negotiated	31/05/2013
6	Proc R25 of 2007	Great Kei Local Municipality: Eastern Cape Province	Recommendation made to institute disciplinary action, consider criminal referral and institute civil action to recover funds	31/05/2014
7	Proc R38 of 2007	Metsimaholo Local Municipality: Free State Province	Recommendation made to monitor payments made and to report the Municipal Manager to the Provincial Govt for appropriate action	31/05/2014
8	Proc R76 of 2002	Uthungulu District Municipality situated in the KwaZulu-Natal Province	No recommendations were made	02/10/2015
9	Proc R9 of 2004 Proc R49 of 2006 amend	Umzinyathi Regional Council (which was succeeded by Amajuba and Umzinyathi District Municipalities), the Uthungulu District Municipality and the Umtshezi Local Municipality in the KwaZulu-Natal Province	Disciplinary recommendation Criminal referral	02/10/2015
10	Proc R40 of 2007	Maluti-a-Phofung Local Municipality: Free State Province	No recommendations were made	02/10/2015

FINAL REPORTS BEING PREPARED

There are **21** final reports that are being prepared and which should be submitted by the end of the 17/18 Financial Year.

The complete list of final reports being prepared for National Government is 10

No	Proc Number	Dept/State Institution	Status
National Government Investigations			
1	Proc R18 of 2005 extended by R5 of 2007	National and all Provincial Department(s) of Social Development	Final presidential report being prepared
2	Proc R27 of 2010	South African Social Security Agency (SASSA ICT)	Final presidential report being prepared
3	Proc R38 of 2010	National Department of Public Works	Final presidential report being prepared
4	Proc R8 of 2011	National Department of Rural Development and Land Reform	Final presidential report being prepared
5	Proc R42 of 2010 extended by R73 of 2011	South African Police Service (SAPS)	Final presidential report being prepared
6	Proc R53 of 2012	National Department of Rural Development and Land Reform and its agents (Land Restitution)	Final presidential report being prepared
7	Proc R10 of 2014	Department of Communications (Media Corner)	Final presidential report being prepared
8	Proc R20 of 2014	Universal Service and Access Agency of South Africa	Final presidential report being prepared
9	Proc R55 of 2014	Department of Labour and the Compensation Fund	Final presidential report being prepared
10	Proc R57 of 2014	National Department of Transport	Final presidential report being prepared

FINAL REPORTS BEING PREPARED

The complete list of final reports being prepared for Provincial Government is 3

No	Proc Number	Dept/State Institution	Status
Provincial Government Investigations			
1	Proc R21 of 2012	Limpopo Province Intervention	Final presidential report being prepared
2	Proc R43 of 2010 extended by R49 of 2012	Department of Public Works for the KwaZulu-Natal Province	Final presidential report being prepared
3	Proc R6 of 2014	National Department of Co-operative Governance and Traditional Affairs (COGTA)	Final presidential report being prepared

The complete list of final reports being prepared for Local Government is 7

No	Proc Number	Dept/State Institution	Status
Local Government Investigations			
1	Proc R72 of 2009	North West Province Municipalities	Final presidential report being prepared
2	Proc R62 of 2010	Tshwane Metropolitan Municipality: Gauteng Province	Final presidential report being prepared
3	Proc R8 of 2014	Bushbuckridge Local Municipality: Mpumalanga Province	Final presidential report being prepared
4	Proc R51 of 2014	Vhembe District Municipality	Final presidential report being prepared
5	Proc R52 of 2014	Greater Tubatse Local Municipality	Final presidential report being prepared
6	Proc R40 of 2015	Buffalo City Metropolitan Municipality	Final presidential report being prepared
7	Proc R21 of 2016	Msunduzi Local Municipality	Final presidential report being prepared

The complete list of final reports being prepared for State Owned Entities is 1

No	Proc Number	Dept/State Institution	Status
State Owned Entities			
1	Proc R53 of 2014 amended by R15 of 2015	State Information Technology Agency (Pty) Ltd (“SITA”) - IBM and iFirm	Final presidential report being prepared

ONGOING INVESTIGATIONS

There are **27** proclamations where investigations are ongoing.

No	Proc Number	Dept/State Institution	Status
National Government Investigations			
1	Proc R54 of 2012	Department of Water Affairs (formerly the Department of Water Affairs and Forestry)	1 Final presidential report submitted 1 investigation ongoing
2	Proc R59 of 2014	National Department of Public Works	Investigation ongoing Interim report submitted to Presidency
3	Proc R27 of 2015	National Department of Public Works	Investigation ongoing Interim report being prepared
4	Proc R7 of 2014 amended by R599 of 2015	Department of Rural Development and Land Reform (formerly known as the Department of Land Affairs) in its national department, its provincial departments, its trading entities and their respective agencies (herein referred to as the DRDLR) and the State Information Technology Agency (PTY) Ltd (herein referred to as SITA). Johannesburg Deeds Office; Pretoria; Cape Town; Bloemfontein	Investigation ongoing Interim report being prepared
5	Proc R18 of 2016	Department of Correctional Services ("EMS")	Investigation ongoing
6	Proc R19 of 2016	Construction Industry Board (CIDB)	Investigation ongoing Interim report being prepared
7	Proc R20 of 2016	Department of Correctional Services ("Project Management Services")	Investigation ongoing
8	Proc R24 of 2017	Department of Rural Development and Land Reform	Investigation ongoing
9	Proc R28 of 2017	Department of Correctional Services and the Independent Development Trust	Investigation ongoing

ACTIVE INVESTIGATIONS (CONTINUED)

There are **27** proclamations where investigations are ongoing.

No	Proc Number	Dept/State Institution	Status
Provincial Government Investigations			
1	Proc R54 of 2014 extended by R44 of 2015	National Department of Public Works: Prestige Directorate: Western Cape	Investigation ongoing
2	Proc R17 of 2016	Eastern Cape Department of Education	Investigation ongoing
3	Proc R22 of 2016	Department of Human Settlements, Gauteng Province and Lepelle Northern Water	Investigation ongoing Interim report being prepared
4	Proc R23 of 2016	KwaZulu-Natal Provincial Department of Transport	Investigation ongoing Interim report submitted to Presidency
5	Proc R32 of 2016	Independent Development Trust (IDT), the Dept of Basic Education (DBE) and the Dept of Education for the Free State (DEFS)	Investigation ongoing Interim report being prepared
6	Proc R9 of 2017	KZN Provincial Department of Agriculture and Rural Development and Mjindi Farming	Investigation ongoing
7	Proc R17 of 2017	Department of Social Development of the Eastern Cape Province	Investigation ongoing
8	Proc R23 of 2017	Gauteng Provincial Department of Health (Mental health care facilities)	Investigation ongoing
9	Proc R30 of 2017	KwaZulu-Natal Provincial Treasury	Investigation ongoing

ACTIVE INVESTIGATIONS (CONTINUED)

There are **27** proclamations where investigations are ongoing.

No	Proc Number	Dept/State Institution	Status
Local Government Investigations			
1	Proc R59 of 2016	Greater Sekhukhune District Municipality and the Elias Motsoaledi Local Municipality ("the municipalities")	Investigation ongoing
2	Proc R8 of 2017	Mopani District Municipality	Investigation ongoing
3	Proc R10 of 2017	Harry Gwala District Municipality	Investigation ongoing
4	Proc R18 of 2017	Thabazimbi Local Municipality	Investigation ongoing
5	Proc R19 of 2017	Alfred Nzo District Municipality	Investigation ongoing
6	Proc R25 of 2017	Lesedi Local Municipality	Investigation ongoing

No	Proc Number	Dept/State Institution	Status
State Owned Entities			
1	Proc R29 of 2017	South African Broadcasting Corporation (SABC)	Investigation ongoing

PERFORMANCE

PERFORMANCE INFORMATION 2015/16

Final Estimate for National Expenditure Financial Report - 2015/2016 Financial Year

SIU Business Operations Core Mandate Combatting Corruption	ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		
	2012/2013	2013/2014	2014/2015	2015/2016		
Key Performance Indicator	**Strategic Objective: To increase impact of SIU's forensic services in the public sector by completing investigations successfully**			**YTD Actuals**	**Annual Target**	**Deviation**
Number of Proclamations Issued	n/a	Baseline established	12	5	12	-58%
Percentage of Issued Proclamations Finalised	n/a	Baseline established	0	0%	60%	-100%
Potential Value of Cash and/or Assets Recoverable	R171m	R261m	R844m	73,026,879	220,000,000	-67%
Actual Value of Cash and/or Assets Recovered	n/a	R75.8m	R145m	52,016,396	120,000,000	-57%
Number of Civil Matters Instituted in Court or the Special Tribunal	n/a	Baseline established	4	5	15	-67%
Number of Referrals made to the National Prosecuting Authority (NPA)	n/a	Baseline established	171	307	45	582%
Number of instances where potential disciplinary matters were bought to the attention of the relevant State Institution	n/a	Baseline established	3,769	68	60	13%

PERFORMANCE INFORMATION 2016/17

Estimate for National Expenditure Financial Report - 2016/2017 Financial Year

SIU Business Operations Core Mandate Combatting Corruption	ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		
	2013/2014	2014/2015	2015/2016	2016/2017		
Key Performance Indicator	Strategic Objective: To increase impact of SIU's forensic services in the public sector by completing investigations successfully			YTD Actuals	Annual Target	Deviation
The number of investigations closed out	0	0	Baseline established	1,186	800	48%
The number of reports submitted to the Presidency	0	0	Baseline established	6	5	20%
The value of money and/or assets potentially recoverable	R261m	R844m	R73m	126,920,485	240,000,000	-47%
The actual value of money and/or assets recovered	R75.8m	R145m	R52m	43,500,706	140,000,000	-69%
The value of potential loss prevented	0	0	Baseline established	106,527,223	18,000,000	492%
The value of contract(s) and/or administrative decision(s) / action(s) set aside or deemed invalid	0	0	Baseline established	4,014,630,241	600,000,000	569%
The value of matters in respect of which evidence was referred for the institution or defence/opposition of civil proceedings (including arbitration or counter civil proceedings)	0	0	Baseline established	3,816,540,390	1,200,000,000	218%
The number of referrals made to the relevant Prosecuting Authority	Baseline established	171	307	108	60	80%
The number of referrals made for disciplinary, executive and/or administrative action	Baseline established	3,769	68	137	75	83%
The number of SIU member(s) participating in Joint Operation(s) or seconded to assist State Institutions	0	0	Baseline established	54	30	80%

PERFORMANCE INFORMATION 2016/17

The target for the following two indicators were not met:

- The value of money and/or assets potentially recoverable
- The actual value of money and/or assets recovered

There were challenges with matters referred to AFU (i.e. quantifying losses). Orders in excess of R300 million were effected by this.

There were delays in finalising the **just and equitable** leg of civil matters; and there was a change in the profile of matters under investigation (previously the SIU investigated SASSA and Land Reform which made significant contributions to this indicator).

ROOT CAUSE ANALYSIS

Challenges with matters referred to AFU (i.e. quantifying losses) – Appeal pending

Orders in excess of R300 million on hold pending the outcome of the AFU appeal case

Delays in finalising the just and equitable leg of civil matters

Change in the profile of investigative matters (Previously SIU investigated SASSA and Land Reform)

ROOT CAUSE ANALYSIS

PRINCIPLES TO IMPROVE TURNAROUND TIMES

a) Previously, proclamations were generic and wide in ambit. The new strategy is to obtain proclamations as specific as possible, where matters will only be investigated that relate directly to the allegations that have been received;

b) For multi-year proclamations (investigations) the SIU now submits interim reports to the Presidency;

c) For long running proclamations (investigations), and where it makes sense to, interim reports are being submitted to the Presidency finalising completed focus areas as per the schedule of the proclamation; and

d) The Head of the SIU has introduced project reviews which is currently assisting to fast track the finalisation of investigations.

CIVIL LITIGATION

SUMMARY OF CIVIL CASES

PROVINCE	CASE DESCRIPTION	WHEN INSTITUTED	VALUE	STATUS	POTENTIAL RECOVERY
KZN	Empangeni Ramp	14/9/2015	R11,679m	Awaiting the agreed filing of plea by defendants	Yes (Amount to be determined)
National DPW	Lebombo Border Post	13/6/2016	R1 993 million (value of contract)	Rule 35 application by Respondents. Matter now set down for trial on 04/12/2017.	R103 million possible recovery.
National DPW	Mvelaphanda Construction	11/10/2012 (SIU not party, but assisting DPW)	R50,8 million	Case is part heard new date awaited.	R50,8 million
National DPW	Nkandla	2014	R155 million	Discovery affidavit and pre-trial notices have been served. No trial date yet. Makhanya has now filed discovery affidavit. First pre-trial conference is being arranged and then the DJP will be approached to accelerate the matter.	R155 million
Land Reform (Western Cape)	Welbeloon Boerdery Trust	June 2017	R4,7 million	Application (for dissipation order) and summons just issued.	R4,7 million
National (Gauteng)	Media Corner	2014	R752 million tender (already set aside)	Trial is set from 17-19 October 2017	About R47 million (depending on what is just and equitable).

SUMMARY OF CIVIL CASES

PROVINCE	CASE DESCRIPTION	WHEN INSTITUTED	VALUE	STATUS	POTENTIAL RECOVERY
National	Gijima	2014	R364 million (contract already set aside)	The second phase (just and equitable relief) must still proceed. (There were issue with payment of Counsel)	To be determined.
National	Heymath	2014	R120 million	SIU joined proceedings. First pre-trial took place. Discovery took place, further pre-trial to be held. Matter to be set down	To be determined.
National	SAPO (Eco Point)	May 2016	R493 million (Bribes of R10 830 000 paid)	DJP has set down the inter locutory application on the opposed motion roll on 16 November 2017. DJP not yet willing to direct the set down of the main application.	R244 million (Rental already paid).
Eastern Cape	Amahlathi Municipality (Kwane)	14 June 2017	R92 million	Proceedings recently instituted. Defendants have brought an interdict against the SIU. Set down for 12 September 2017	R92 million
Eastern Cape	Department of Education (Siegesmund)	Middle 2017	R59 million	Defendants have entered appearance to defend. They have also filed exceptions (Rule 23)	R12,5 million (the profit made by Defendant).

SUMMARY OF CIVIL CASES

PROVINCE	CASE DESCRIPTION	WHEN INSTITUTED	VALUE	STATUS	POTENTIAL RECOVERY
National (Leases/DPW)	SALU	2017	R609 million	Matter has been instituted. Landlord is opposing the application. A record underlying the decision is required. SIU prepared the record and is awaiting Counsel's input.	Just and equitable relief.
DPW National (Leases)	Lease Wachthuis	2017	About R600 million	Application brought, Landlord filed opposition. The record for the review has been constructed by SIU (DPW not able) and Counsel (Puckrin SC) needs to approve.	To be determined (Just and equitable relief).
DPW National (Leases)	Silver Moon (SAPS Pound)	SIU joined in 2017	R37 617 938	Silver Moon instituted action against DPW. SIU joined and submitted a counterclaim, Silver Moon has not pleaded to SIU's counterclaim and SIU filed a Notice of Bar.	R37 617 938
DPW National (Leases)	Silver Moon (Stats SA)	SIU joined in 2017	R2 297 838	Silver Moon instituted action against DPW. SIU joined proceeding and has filed a counterclaim.	R2 297 838

SUMMARY OF CIVIL CASES

PROVINCE	CASE DESCRIPTION	WHEN INSTITUTED	VALUE	STATUS	POTENTIAL RECOVERY
DPW National (Leases)	Ocean Pearl	2017	R9 792 403	Summons was served. Defendant did not enter an appearance to defend SIU instructed State Attorney to apply for default judgement.	R9 792 403
Dept. of Communications	Travel (by former Minister and companion)	2016	R604 549	Summons was served. Defendant did not file an appearance to defend. SIU to seek default judgement.	R604 549
Gauteng	Midvaal Municipality (Odendaal)	2017	R2 615 000	Summons has been issued, awaiting proof of service	R2 615 000

ORGANISATIONAL ENHANCEMENTS

SIU CASE FOR CHANGE: STRATEGIC FOCUS

Vision

The State's preferred and trusted forensic investigation and litigation agency

Mission

We are the State's preferred provider of forensic investigating and litigating services working together with other agencies in the fight to eradicate corruption, malpractice and maladministration from society.

How will we make an impact?

Strategic Goals

To achieve **appropriate** legal outcomes against perpetrators of maladministration and corruption

To **proactively** influence the systemic and behavioural root causes of maladministration and corruption

Strategic Focus

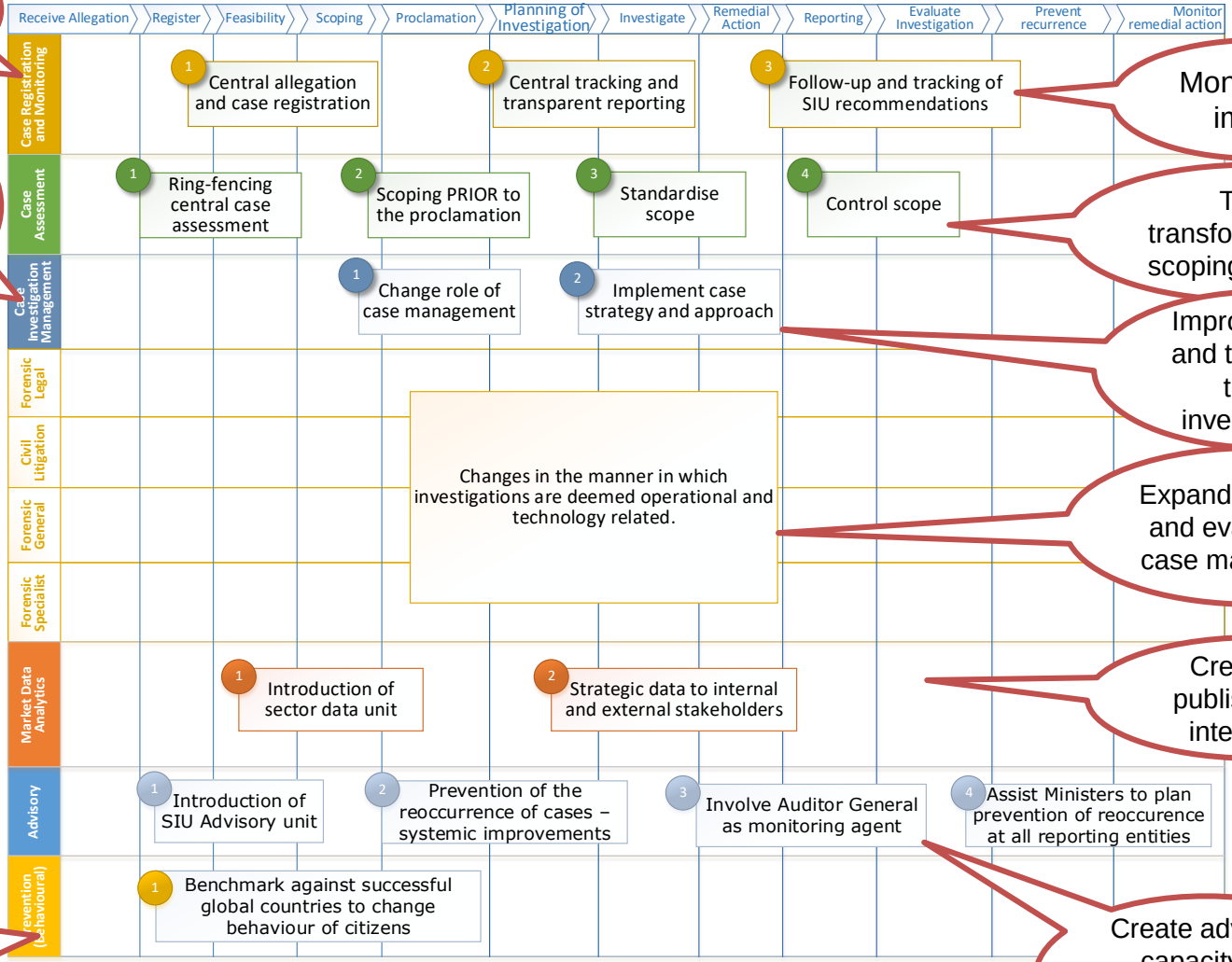
- Establish governance and accountability
- Reach growth through operational excellence
- Staying relevant within a changing environment

Stabilise operating environment

HIGH-LEVEL VALUE CHAIN: KEY ENHANCEMENTS

All allegations are tracked and monitored

Increase number of allegations that are converted into cases



Monitor SIU impact

Total transformation in scoping of cases

Improve quality and turnaround time of investigations

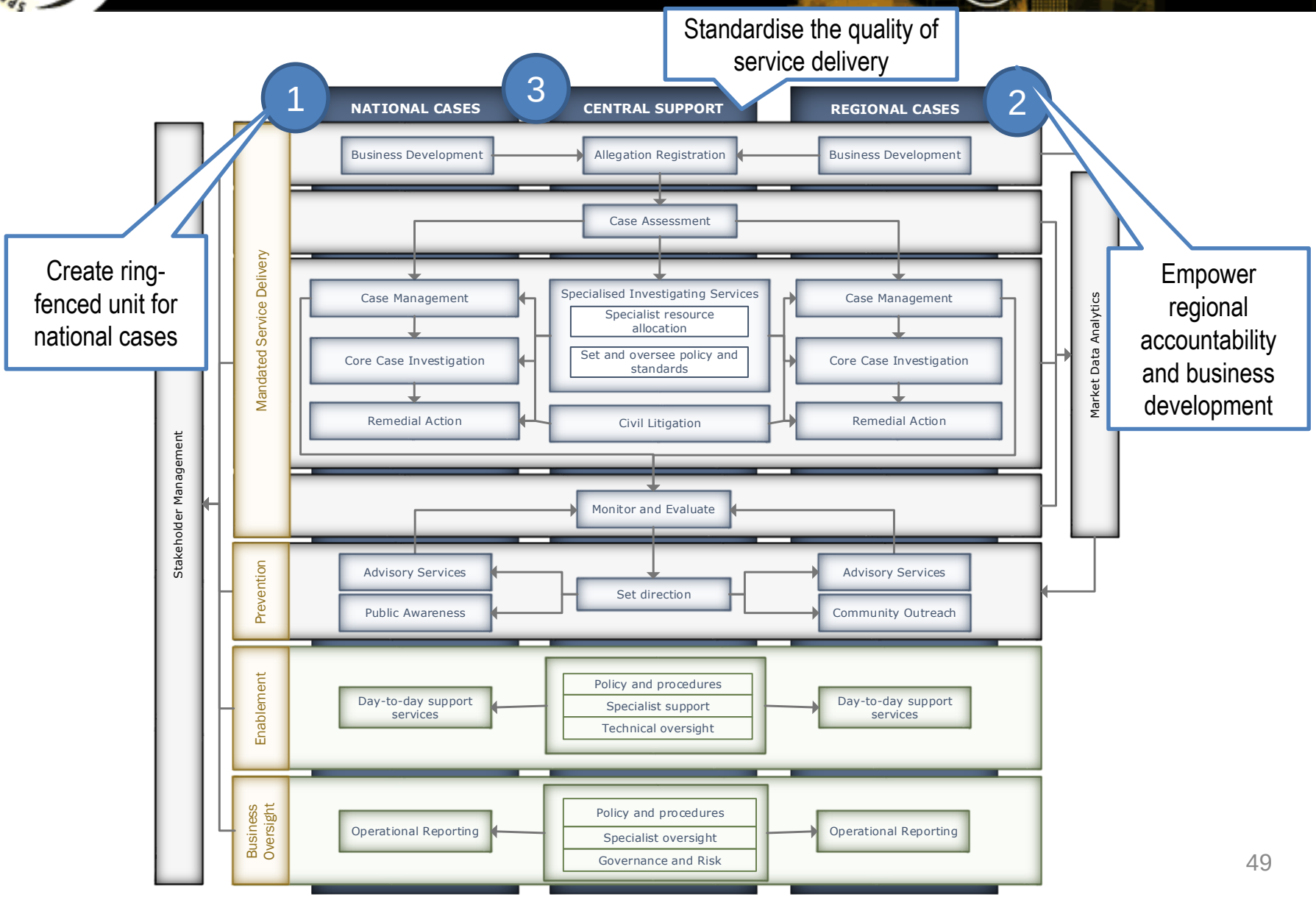
Expand monitoring and evaluation of case management

Create and publish sector intelligence

Create advisory capacity to prevent re-occurrences

Create targeted communication capacity to educate the public

SIU TO-BE OPERATING MODEL



CHALLENGES & MITIGATION STRATEGY

Challenges	Mitigation Strategy
Generic and wide proclamations lead to long investigation	• The new strategy is to obtain proclamations as specific as possible, where matters will only be investigated that relate directly to the allegations that have been received. • For long multi-year running proclamations (investigations), interim reports will be submitted to the Presidency based on completed focus areas as per the schedule of the proclamation.
Non – Payment by some State Institutions	• Currently reviewing our funding model. • Provide regular investigations progress update to State Institutions to justify the invoice. • Regular contact with CFO's of relevant State Institutions
Delay in finalizing our civil matters	• Re-establish the Special Tribunal • Interaction with Deputy Judge Presidents to expedite sat down of civil cases .
Implementation of referrals by the NPA	• Signed Memorandum of Understanding with NPA which includes monitoring and evaluation structure
Feedback from State Institutions regarding the implementation of referred disciplinary actions and systemic recommendations.	• To engage the Department of Monitoring and Evaluation to help with the monitoring of the implementation of our referrals by the departments. • Regular follow-up with the department. • Signed MoU with Department of Justice a7 Correctional Services (DoJ) and Presidency which includes a monitoring and evaluation structure.
Limitation in dealing with pre-proclamation activities	• Sent the proposal for the amendments of the SIU Act to DoJ in order to include the pre-proclamation investigation.
Un-even spread of proclamations	• Improve regional business development efforts and stakeholder engagements.

HOW CAN SCOPA SUPPORT THE SIU

- Refer matters which emanate from engagements with the State institutions to the SIU for investigation.
- Support in discouraging State institutions from referring matters to private sector forensic firms as this will save costs for the State.

THANK YOU